## Message Text

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**ACTION EUR-10** 

INFO OCT-01 EA-07 ISO-00 AEC-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-03 FPC-01 H-01 INR-10

INT-01 L-02 NSAE-00 NSC-07 OMB-01 PM-03 RSC-01 SAM-01

SCI-03 SP-02 SS-14 STR-01 TRSE-00 FRB-01 FEA-01 PA-01

PRS-01 USIA-04 DRC-01 /090 W

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R 092211Z OCT 74

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 4736

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

**UNCLAS OTTAWA 3334** 

E.O. 11652: N/A

TAGS: EFIN ETRD OVIP (EBERLE, WILLIAM D.)

SUBJECT: REACTIONS TO PRESIDENT'S ECONOMIC INITIATIVES AND EBERLE VISIT TO OTTAWA

1. SUMMARY. INITIALCANADIAN MEDIA REACTION TO THE PRESIDENT'S ECONOMIC MESSAGE OF OCTOBER 8 WAS WIDESPREAD AND FAVORABLE. RADIO AND TV HAD EXTENSIVE COVERAGE OF PRESIDENT'S PROPOSALS AND OF AMEBASSADOR EBERLE'S VISIT TO CANADA, AND MANY NEWSPAPERS HAD LEAD ARTICLES AND EDITORIALS ON BOTH MESSAGE AND VISIT. RADIO AND TV COVERAGE OF AMBASSADOR EBERLE'S VISIT INITIALLY STRESSED HIS COMMENTS ON POSSIBLE ALASKAN OIL PIPELINE THROUGH CANADA BUT SO FAR NEWSAPERS WITH EXCEPTION OF TORONTO STAR HAVE IGNORED THIS SUBJECT. CONSULTATIONS BETWEEN GOC MINISTERS AND EBERELE GROUP WERE SUBJECT OF EXTENSIVE QUESTIONING IN PARLIAMENT ON OCTOBER 9 WITH GOC LEADERS POINTING TO "ALMOST SIMULTANEOUS"

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NATURE OF CONSULTATIONS AS PRESIDENT'S MESSAGE RELEASED.

- 2. CBC AND LOCAL OTTAWA RADIO AND TV CARRIED EXTENSIVE COVERAGE OF PRESIDENT'S ECONOMIC PROPOSALS AND AMBASSADOR EBERELE'S VISIT TO OTTAWA. INTIAL RADIO AND TV COVERAGE OF EBERLE VISIT STRESSED MINOR PART OF EBERLE'S PRESS CONFERENCE WHEN, IN REPLY TO REPORTER'S QUESTION, HE HAD INDICATED U.S. EXPLORING VARIOUS WAYS TO BRING DOWN ALASKAN OIL, INCLUDING POSSIBLY THROUGH CANADA.
- 3. NEWSPAPER ACCOUNTSPLAYED UP TAX SURCHARGE ASPECT OF PRESIDENT'S PROPOSALS. PRESTIGIOUS TORONTO GLOBE AND MAIL CARRIED BANNER HEADLINES READING "FORD ASKS NEW 5 PERCENT TAX ON PEOPLE AND COMPANIES" AND MONTREAL GAZETTE HEADLINE WAS "TAX SURCHARGE KEY TO FORD'S PACKAGE".
- 4. TORONTO GLOBE AND MAIL ALSO CARRIED LEAD EDITORIAL CONTRASTING UNFAVORABLY PRIME MINISTER TRUDEAU'S 93
  DAYS IN OFFICE WITH PRESIDENT FORD'S 61 DAYS.
  UNTER TITLE, "TALE OF TWO LEADERS", EDITORIAL STATES
  "CANADIANS, WHO HAVE HAD LITTLE MORE THAN A FEW PIOUS PHRASES IN THE THRONE SPEECHTO ASSURE THEM THAT THEIR GOVERNMENT IS EVEN ACQUAINTED WITH THE WORD INFLATION, ARE LEFT WITH GOOD REASON TO WONDER IF OTTAWA AND WASHINGTON ARE EVEN IN THE SAME HEMISPHERE."
- 5. OTTAWA JOURNAL, UNDER HEADLINE "CANADA REACTS OPTIMISTICALLY TO FORD'S PLANS", STATED THAT "MEMBERS OF THE TRUDEAU GOVERNMET REACTED OPTIMISTICALLY TO U.S. PRESIDENT FORD'S ECONOMIC POLICY ANNOUNCEMENT, WHILE RESERVING JUDGMENT ON THE LONG-RANGE IMPACT OTHER AMERICAN INITIATIVES COULD HAVE ON THE CANADIAN ECONOMY". FINANCE MINISTER TURNER IS QUOTED BY NEWSPAPER AS SAYING, FOLLOWING MEETING WITH AMBASSADOR EBERLE, "I THINK IT DISPLAYS ON THE PART OF THE U.S. A WILLINGNESS TO CONSULT ON ECONOMIC POLICY AND A RECOGNITION THAT THERE HAS TO BE SOME COORDINATION OF WHAT WE ARE DOING IN THE FISCAL AND MONETARY FIELDS".

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6.DURING QUESTION PERIOD IN PARLIAMENT ON OCTOBER 9, EXTAFF MINISTER MACEACHEN AND FINANCE MINISTER TURNER POINTED OUT "ALMOST SIMULTANEOUS" USG CONSULTATIONS WITH GOC WHILE THE PRESIDENT WAS SPEAKING TO CONGRESS. FINMIN TURNER, WHEN ASKED ABOUT CONSULTATIONS BEFORE RELEASE OF PRESIDENT'S MESSAGE, SAID THAT PRESIDENT'S ACTIONS WERE IN NATURE OF INTERNAL BUDGETARY MEASURES

AND THEREFORE WERE NOT SUBJECT OF PRIOR CONSULTATIONS. HOWEVER, HE ADDED THAT AMBASSADOR EBERLE HAD ASSURED GOC OFFICIALS THAT CONSULTATIONS WOULD TAKE PLACE ON SPECIFIC PROJECTS, MENTIONING PROPOSALS ON AUTOMOBILE GAS-CONSUMPTION OBJECTIVES WOULD BE PRIME SUBJECT FOR NORTH AMERICAN REVIEW.

7. IN RESPONSE TO QUESTION FROM OPPOSITION M.P.
ABOUT AMBASSADOR EBERLE'S STATEMENT TO PRESS REGARDING
AN ALASKAN OIL PIPELINE THROUGH CANADA, EXTAFF
MINISTER MACEACHEN STATED THAT MATTER HAD NOT RPT
NOT BEEN RAISED DURING MEETING BETWEEN U.S. OFFICIALS
AND GOC MINISTERS. HE FURTHER STATES THAT DISCUSSIONS
HAD BEEN GENERAL IN NATURE, WITH AGREEMENT TO DISCUSS
SPECIFICS AT A LATER DATE, AND THAT ANY U.S. OIL
PIPELINE PROPOSAL COULD BE EXPLORED AT THAT TIME.

8. EMBASSY WILL COLLECTSELECTION OF PRESS ARTICLES AND EDITORIALS AND POUCH TO EUR/CAN AND AMBASSADOR EBERLE'S OFFICE.
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